

**New American Pathways, Inc.
Audited Financial Statements
September 30, 2016 and 2015**

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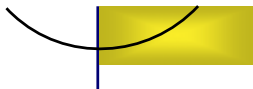
New American Pathways, Inc.
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September 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors:
New American Pathways, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of New American Pathways, Inc. (the Organization) which comprise the statement of financial positions as of September 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New American Pathways, Inc. as of September 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 10, 2017, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

Bambo Sonaike CPA, LLC

March 10, 2017

New American Pathways, Inc.
 Statements of Financial Position
 As of September 30, 2016 and 2015

Assets	<u>2016</u>	<u>Restated</u> <u>2015</u>
Current assets		
Cash	\$ 627,086	\$ 600,837
Accounts receivable ^(note 4)	1,168,121	589,665
Inventory ^(note 3)	10,051	7,841
Prepays and other assets ^(note 5)	73,021	7,043
Total current assets	<u>1,878,279</u>	<u>1,205,386</u>
Long-term assets		
Property and equipment ^{(net) (note 6)}	383,024	445,350
Total long-term assets	<u>383,024</u>	<u>445,350</u>
Total Assets	<u><u>\$ 2,261,303</u></u>	<u><u>\$ 1,650,736</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable & accrued expenses ^(note 7)	\$ 117,762	\$ 209,123
Deferred revenue ^(note 8)	85,960	116,631
Total current liabilities	<u>203,722</u>	<u>325,754</u>
Total liabilities	<u>203,722</u>	<u>325,754</u>
Net assets		
Unrestricted net assets	1,036,532	877,961
Temporarily restricted net assets ^(note 12)	1,021,049	447,021
Permanently restricted net assets ^(note 12, 13)	-	-
Total net assets	<u>2,057,581</u>	<u>1,324,982</u>
Total Liabilities & Net Assets	<u><u>\$ 2,261,303</u></u>	<u><u>\$ 1,650,736</u></u>

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.
 Statements of Activities
 For the years ended September 30, 2016 and 2015

	Year ended September 30, 2016				Restated Year ended September 30, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues								
Contributions	\$ 1,205,143	\$ 967,600	\$ -	\$ 2,172,743	\$ 756,627	\$ 383,403	\$ -	\$ 1,140,030
Program services	3,201,157	-	-	3,201,157	2,758,826	-	-	2,758,826
Donations In-kind	290,252	-	-	290,252	362,971	-	-	362,971
Other income	13,321	-	-	13,321	3,738	-	-	3,738
Total revenues	4,709,873	967,600	-	5,677,473	3,882,162	383,403	-	4,265,565
Net assets released from restrictions	393,572	(393,572)	-	-	1,170,378	(1,170,378)	-	-
Expenses								
Program services								
Social Services	581,716	-	-	581,716	615,097	-	-	615,097
Reception and Placement	990,607	-	-	990,607	844,861	-	-	844,861
AmeriCorps	501,291	-	-	501,291	370,838	-	-	370,838
Match Grant	947,931	-	-	947,931	892,245	-	-	892,245
Other Programs	1,083,731	-	-	1,083,731	1,100,880	-	-	1,100,880
Support services								
Management and general	489,173	-	-	489,173	468,566	-	-	468,566
Fundraising	261,845	-	-	261,845	334,594	-	-	334,594
Merger expenses ^(note 2)	88,083	-	-	88,083	478,497	-	-	478,497
Total expenses	4,944,377	-	-	4,944,377	5,105,578	-	-	5,105,578
Change in net assets from operations	159,068	574,028	-	733,096	(53,038)	(786,975)	-	(840,013)
Other income and expenses								
Interest income	226	-	-	226	62	-	-	62
Gain (Loss) on disposal of vehicle	(723)	-	-	(723)	7,000	-	-	7,000
Total other income and expenses	(497)	-	-	(497)	7,062	-	-	7,062
Change in net assets	158,571	574,028	-	732,599	(45,976)	(786,975)	-	(832,951)
Net assets at beginning of year	877,961	447,021	-	1,324,982	923,937	1,233,996	-	2,157,933
Net assets at end of year	<u>\$ 1,036,532</u>	<u>\$ 1,021,049</u>	<u>\$ -</u>	<u>\$ 2,057,581</u>	<u>\$ 877,961</u>	<u>\$ 447,021</u>	<u>\$ -</u>	<u>\$ 1,324,982</u>

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.
Statement of Functional Expenses
For the year ended September 30, 2016

	Program Services					Support Services		Merger Costs (note 2)	Total
	Social Services	Reception and Placement	AmeriCorps	Match Grant	Other Programs	Management and General	Fundraising		
Salaries	\$ 337,911	\$ 212,615	\$ 366,583	\$ 185,358	\$ 575,131	\$ 289,719	\$ 127,275	\$ 42,153	\$ 2,136,745
Benefits	49,111	34,004	39,616	27,313	107,768	46,098	15,869	12,780	332,559
Payroll taxes	29,020	17,695	36,539	15,895	48,825	24,852	8,528	3,282	184,636
Total compensation and benefits	416,042	264,314	442,738	228,566	731,724	360,669	151,672	58,215	2,653,940
Administrative fees	170	243	-	161	813	241	422	-	2,050
Background checks	486	1,475	1,888	4,704	4,475	2,074	955	-	16,057
Bank fees	-	-	-	-	-	655	-	416	1,071
Client assistance	1,757	603,571	-	625,964	10,842	67	-	-	1,242,201
Conference and training	412	1,436	5,078	1,686	7,362	729	637	-	17,340
Consultants/ interpreters	53,726	23,382	-	8,356	29,463	-	10,088	-	125,015
Dues and subscriptions	2,908	1,575	-	5,822	14,632	3,277	1,586	2,720	32,520
Fundraising	-	-	-	-	-	-	36,210	-	36,210
Insurance	8,330	7,840	6,073	6,497	24,687	32,139	3,852	942	90,360
Marketing and branding	-	100	-	-	50	370	775	-	1,295
Meals and entertainment	-	-	-	-	-	181	-	-	181
Member housing	-	-	13,548	-	-	-	-	-	13,548
Miscellaneous	-	-	-	-	12,961	9,204	321	-	22,486
Non-capitalized equipment	13	12	-	11	24	43	9	-	112
Office supplies	7,038	6,455	3,146	4,925	17,656	13,462	4,203	1,252	58,137
Other	-	-	-	-	-	1,602	-	-	1,602
Postage	108	218	-	113	4,622	137	137	-	5,335
Printing and copying	-	-	-	-	-	-	1,157	-	1,157
Professional fees	10,424	6,263	10,675	4,794	19,566	16,636	11,710	24,264	104,332
Rent	26,309	21,350	-	22,998	60,849	24,484	15,636	-	171,626
Repairs and maintenance	9,402	9,021	-	8,636	29,513	12,051	6,646	213	75,482
Storage	235	11,856	-	481	1,990	494	234	-	15,290
Supplies	1,946	443	1,000	54	16,172	-	2,674	-	22,289
Telephone	3,034	3,288	-	2,350	12,326	2,583	1,159	-	24,740
Travel	22,676	14,339	17,145	5,949	27,016	1,491	830	61	89,507
Depreciation	16,700	13,426	-	15,864	56,988	6,584	10,932	-	120,494
Total expenses	\$ 581,716	\$ 990,607	\$ 501,291	\$ 947,931	\$1,083,731	\$ 489,173	\$ 261,845	\$ 88,083	\$ 4,944,377

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.
Statement of Functional Expenses
For the year ended September 30, 2015

	Program Services					Support Services		Merger Costs (note 2)	Total
	Social Services	Reception and Placement	AmeriCorps	Match Grant	Other Programs	Management and General	Fundraising		
Salaries	\$ 394,785	\$ 167,597	\$ 294,090	\$ 119,689	\$ 656,032	\$ 283,172	\$ 239,707	\$ 231,188	\$ 2,386,260
Benefits	51,748	25,089	19,392	17,628	103,730	39,604	21,036	37,204	315,431
Payroll taxes	40,577	15,068	24,567	11,105	64,627	23,826	23,730	19,459	222,959
Total compensation and benefits	487,110	207,754	338,049	148,422	824,389	346,602	284,473	287,851	2,924,650
Administrative fees	660	318	-	332	429	626	425	307	3,097
Background checks	464	486	1,263	903	2,923	313	-	-	6,352
Bank fees	66	65	-	21	119	1,659	228	360	2,518
Client assistance	780	508,634	-	645,417	19,025	122	-	-	1,173,978
Conference and training	226	1,088	3,607	21	11,667	350	1,012	7,777	25,748
Consultants/ interpreters	1,267	21,438	-	7,386	46,864	-	1,080	17,189	95,224
Dues and subscriptions	7,309	2,455	-	8,153	6,147	6,158	405	1,594	32,221
Facilities and integration costs	-	-	-	-	-	-	-	1,001	1,001
Fundraising	-	-	-	-	-	-	37,522	-	37,522
Insurance	7,906	6,384	1,513	6,431	9,335	6,940	1,450	2,797	42,756
Marketing and branding	-	-	-	-	-	-	-	15,570	15,570
Meals and entertainment	141	145	-	-	1,295	184	366	-	2,131
Member housing	-	-	11,290	-	36	-	-	-	11,326
Miscellaneous	128	124	-	432	1,876	3,270	135	1,485	7,450
Non-capitalized equipment	62	122	-	83	31	36	-	-	334
Office supplies	2,790	935	1,013	7,329	2,949	2,899	401	3,733	22,049
Other	9	-	-	-	807	16,812	-	6,957	24,585
Postage	341	678	-	1,286	4,700	1,399	284	-	8,688
Printing and copying	4,316	3,409	-	7,753	5,682	5,373	-	-	26,533
Professional fees	13,312	6,835	4,935	4,333	24,631	26,610	4,685	24,528	109,869
Rent	47,887	32,575	-	27,068	30,774	30,183	-	-	168,487
Repairs and maintenance	13,738	8,045	-	14,239	9,372	10,798	187	-	56,379
Storage	899	11,981	-	2,655	414	809	-	-	16,758
Supplies	1,080	4,203	245	303	32,713	-	777	1,240	40,561
System integration and technology costs	-	-	-	-	-	-	-	3,640	3,640
Telephone	3,239	4,799	-	3,382	18,995	2,380	-	-	32,795
Travel	14,297	18,452	8,923	5,752	41,459	1,200	1,164	44	91,291
Interest	-	-	-	-	-	227	-	-	227
Depreciation	7,070	3,936	-	544	4,248	3,616	-	102,424	121,838
Total expenses	\$ 615,097	\$ 844,861	\$ 370,838	\$ 892,245	\$1,100,880	\$ 468,566	\$ 334,594	\$ 478,497	\$ 5,105,578

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.
 Statements of Cash Flows
 For the year ended September 30, 2016 and 2015

	<u>2016</u>	<u>Restated</u> <u>2015</u>
Cash flow from operating activities:		
Change in net assets	\$ 732,599	\$ (832,951)
Reconciliation of change in net assets to net cash provided (required) by operating activities:		
Depreciation ^(note 5)	120,494	121,838
(Gain) Loss on disposal of vehicle	723	(7,000)
Change in operating assets and liabilities		
(Increase) decrease in assets:		
Accounts receivable	(578,456)	(162,644)
Inventory	(2,210)	2,496
Prepays and other assets	(65,978)	25,267
Increase (decrease) in liabilities:		
Accounts payable	(91,361)	2,358
Payroll taxes payable	-	(12,000)
Deferred revenue	(30,671)	(50,203)
Net cash provided (required) by operating activities	<u>85,140</u>	<u>(912,839)</u>
Cash flow from investing activities:		
Purchase of property and equipment	(21,952)	(3,258)
Purchase of property and equipment for merger	(38,939)	(172,597)
Proceeds from sale of Property and equipment	2,000	-
Net cash required by investing activities	<u>(58,891)</u>	<u>(175,855)</u>
Cash flow from financing activities:		
Payments on notes payable	-	(9,503)
Net cash required by financing activities	<u>-</u>	<u>(9,503)</u>
Net increase (decrease) in cash	<u>26,249</u>	<u>(1,098,197)</u>
Beginning balance of cash	<u>600,837</u>	<u>1,699,034</u>
Ending balance of cash	<u><u>\$ 627,086</u></u>	<u><u>\$ 600,837</u></u>
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid during the year for interest	\$ -	\$ 277
Cash paid during the year for income taxes	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part to these financial statements.

New American Pathways, Inc.

Notes to the Financial Statements

September 30, 2016 and 2015

1. Organization

New American Pathways, Inc. (the Organization) is the result of a merger of two local not-for-profit entities, Refugee Resettlement and Immigration Services of Atlanta, Inc. (RRISA) and Refugee Family Services, Inc. (RFS).

RRISA was a not-for-profit organization incorporated on October 9, 2002 in the state of Georgia. RRISA provided various services to refugees before, during, and after their arrival into the United States of America. Services offered by RRISA included reception and placement services; employment and employment upgrade services, citizenship classes, social adjustment services (parenting and gathering groups, driver's education courses and workshops on financial home management), immigration services, interpretation and translation services, emergency referral services, and youth programs.

RFS was a not-for-profit organization incorporated on March 27, 1996 in the state of Georgia. The mission of RFS was to support the efforts of refugee women and children to achieve self-sufficiency in the United States by providing education and economic opportunity. RFS provided services to refugees primarily located in DeKalb and Gwinnett Counties.

On September 30, 2013, RFS entered into a merger agreement with RRISA. In accordance with the merger agreement, RFS merged into RRISA, the surviving entity, effective October 1, 2014. RRISA changed its name to New American Pathways, Inc. immediately after the merger. The Organization continues to sponsor the programs (previously sponsored by RRISA and RFS) through donations from churches, individuals, businesses, organizations, foundations, and federal awards passed through Church World Service, Episcopal Migration Ministries, Georgia Department of Human Services, and other agencies. See note 2 below for additional details regarding the merger.

2. Merger

On October 1, 2014, RRISA and RFS merged to form New American Pathways, Inc. In accordance with Accounting Standards Codification (ASC) No. 958-805, Not-for-Profit Entities Business Combinations, the carryover method was applied for recognizing the results of the merger. The carryover method requires combining assets and liabilities of the merging entities as of the merger date. As of September 30, 2016 and 2015, a summary of the contributions received and expenses incurred for the merger activities are outlined below:

	<u>2016</u>	<u>2015</u>
Beginning balance	\$ 300,670	\$ 725,290
Contributions	11,800	124,050
Merger expenses	(88,083)	(376,073)
Operating expenses	(119,814)	-
Purchase of property and equipment	(38,939)	(172,597)
Net assets restricted for merger activities	<u>\$ 65,634</u>	<u>\$ 300,670</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2016 and 2015

3. Significant accounting policies

Basis of accounting and financial statement presentation

The financial statements are reported using the accrual basis of accounting. All of the Organization's assets, liabilities, net assets, revenue and expenses have been reflected in accordance with the accrual method.

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its ASC No. 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets

These are assets that are not subject to donor imposed or grantor-imposed restrictions.

Temporarily restricted assets

These are assets that are subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets

These are assets subject to donor imposed stipulations permanently by the Organization. Generally, the donors of these assets permit an organization to use all or part of the income earned on any related investments for general or specific purposes.

Cash and cash equivalents

Cash consists of cash on hand at the Organization's locations and the accounts held at financial institutions. Cash equivalent are considered to be short term investments with original maturities less than three months.

Accounts receivable

Accounts receivable are generated from the day to day operations of the Organization. Accounts receivable are stated as unpaid balances to the Organization for performed services. Receivables are unsecured and non-interest bearing. Management believes that all receivables are fully collectible; therefore, no allowance for uncollectible amounts has been recorded.

Inventory

Inventory consists of household items required for refugee living quarters and transportation and other gift cards available for distribution to the refugees. Inventory is stated at the lower of cost, determined using the first-in first-out (FIFO) method, or market. Donated goods are recorded at estimated fair value. As of September 30, 2016 and 2015, total inventory was \$10,051 and \$7,841, respectively.

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2016 and 2015

Property and equipment

The Organization capitalizes property and equipment purchases that are greater than \$1,000. Lesser amounts are expensed. Property and equipment are stated at cost, or if donated, at their estimated fair value at the date of the gift. Such donations are reported as unrestricted support unless the donor restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor.

Expenditures for property and equipment additions are reviewed for estimated useful life and major improvements or renewals are capitalized while the cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets lives are not capitalized. Depreciation is computed by the straight-line method over the estimated useful lives as stated below. At the time assets are retired or disposed, costs and accumulated depreciation are eliminated from the related accounts and gains or losses, if any, are credited or charged to income. The estimated useful lives of property and equipment were as follows:

<u>Description</u>	<u>Useful Life</u>
Equipment	3 to 5 years
Furniture and Fixtures	7 years
Vehicles	5 years
Leasehold improvements	3.5 years

Donated material and services

All donated materials are recorded at their estimated fair value at the date of receipt. Contributed services are recognized if the services received (a) create or enhance non-financial assets or (b) required specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services are reflected in the financial statements at the fair value of the services received. Donated services that do not require specialized skills or enhance nonfinancial assets are not recorded in the accompanying financial statements because no objective basis is available to measure the value of such services.

Revenue recognition

Contributions are recognized as revenues in the period received or promised. Conditional contributions are recorded when the conditions have been substantially met. Contributions are considered to be unrestricted unless specifically restricted by the donor. The Organization reports contributions in the temporarily or permanently restricted net asset class if they are received with donor stipulations as to their use. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are released and reclassified to unrestricted net assets in the statement of activities. Donor-restricted contributions are initially reported in the temporarily restricted net asset class, even if it is anticipated such restrictions will be met in the current reporting period.

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2016 and 2015

Program service revenues from agencies are recognized as unrestricted revenue when earned. The Organization records amounts received in advance as deferred revenue until the revenue is earned. The program service revenues are determined to be earned based on the terms of the grant agreement for each particular program. The Organization primarily earns program service revenues when qualifying expenses are incurred for reimbursable grants and through the performance of specific services.

Income tax

The Organization is a not-for-profit entity under section 501 (c)(3) of the Internal Revenue Code and is not subject to federal or state income taxes.

Use of estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Functional allocation of expenses

The costs of providing the programs and activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among program services and support services.

4. Accounts receivable

Accounts receivable as of September 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
The Goizueta Foundation	\$ 550,000	\$ -
Church World Service	290,476	271,757
Episcopal Migration Ministries	97,591	170,496
Georgia Department of Human Services	82,508	41,895
Criminal Justice Coordinating Council	63,320	24,739
Georgia Department of Community Affairs	49,555	51,027
Others	34,671	29,751
Total accounts receivable	<u>\$ 1,168,121</u>	<u>\$ 589,665</u>

5. Prepaid and other assets

As of September 30, 2016 and 2015, prepaid and other assets consisted of the following:

	<u>2016</u>	<u>2015</u>
Prepaid expenses	\$ 72,212	\$ 6,743
Prepaid Salaries	509	-
Utility deposits	300	300
Total prepaids and other assets	<u>\$ 73,021</u>	<u>\$ 7,043</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2016 and 2015

6. Property and equipment

As of September 30, 2016 and 2015, property and equipment consisted of the following:

	Date of Merger	Additions	Disposals	2015	Additions	Disposals	2016
Equipment	\$ 165,387	\$ 119,713	\$ -	\$ 285,100	\$ 31,712	\$ -	\$ 316,812
Furniture and fixtures	96,157	29,148	-	125,305	-	-	125,305
Vehicles	34,427	20,381	(18,500)	36,308	29,179	(7,427)	58,060
Leasehold improvements	145,640	13,613	-	159,253	-	-	159,253
Total cost	441,611	182,855	(18,500)	605,966	60,891	(7,427)	659,430
Less: accumulated depreciation	(57,278)	(121,838)	18,500	(160,616)	(120,494)	4,704	(276,406)
Total property and equipment, net	\$ 384,333	\$ 61,017	\$ -	\$ 445,350	\$ (59,603)	\$ (2,723)	\$ 383,024

For the years ended September 30, 2016 and 2015, depreciation expense in the amount of \$120,490 and \$121,838, respectively, were recorded in the statements of activities.

7. Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of expenses incurred in the day to day activities of the Organization. Accounts payable and accrued expenses as of September 30, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Compensated absences	\$ 84,042	\$ 85,952
Credit cards payable	20,101	12,063
Accrued salaries and wages	-	720
Accrued professional fees	10,950	10,950
Accounts payable	2,669	99,438
Total	<u>\$ 117,762</u>	<u>\$ 209,123</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2016 and 2015

Compensation absences

The Organization has vacation, sick and paid time off policies covering substantially all of its employees. The annual leave may be accrued and carried over from one year to the next up to a maximum of 320 hours based on hours worked and years of service. Upon resignation, termination, or retirement, an employee shall be paid for any accrued annual leave balance up to 120 hours. The Organization has recorded an accrued liability for paid time off as of September 30, 2016 and 2015 totaling \$84,042 and \$85,952, respectively.

8. Deferred revenue

The Organization records certain federal grant awards as deferred revenue until related services are performed, at which time they are recognized as revenue. As of September 30, 2016 and 2015 deferred revenue totaled \$85,960 and \$116,631, respectively.

9. Concentrations

Revenue sources

The Organization depends heavily on contributions and grants for its revenue sources. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic and political conditions and the continued deductibility of contributions of the Organization. While management believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors and other factors beyond its control.

Custodial credit risk

Custodial credit risk is the risk that in the event of bank failure, the Organization's deposits may not be returned to it. Cash accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. Cash balances held with financial institutions exceed federally insurable limits at times. Management believes the credit risk associated with cash and cash equivalents to be low due to the quality of the financial institutions in which these assets are held.

10. Leases

The total lease expense recorded in the statement of activities for the years ended September 30, 2016 and 2015 were \$171,626 and \$168,487, respectively. On October 12, 2012, the Organization entered into a 65 month lease agreement commencing on December 15, 2012. The annual minimum required payments under the agreement are as follows:

Year ended September 30,	
2017	\$ 178,310
2018	112,602
Total	<u>\$ 290,912</u>

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2016 and 2015

11. Line of credit

As of September 30, 2016 and 2015, line of credit consisted of the following:

Collateral	Line of credit	2016 Outstanding balance	2015 Outstanding balance	Interest rate	Maturity Date	Principal amortization	Prepayment penalty
Unsecured	\$ 100,000	\$ -	\$ -	Prime + 1%	12/11/2016	No	No

During the years ended September 30, 2016 and 2015, the Organization did not utilize the line of credit and no amounts were outstanding on the line of credit.

12. Temporarily and permanently restricted net assets

Temporarily and permanently restricted net assets consist of the following as of September 30, 2016 and 2015:

	<u>2016</u>	<u>Restated</u> <u>2015</u>
Temporarily restricted		
The Goizueta Foundation	\$ 875,000	\$ -
Goizueta ESL	-	8,977
Goizueta Reintervention Program	-	64,461
Merger Activites	65,634	300,670
The Zeist Foundation, Inc.	37,500	50,000
Fund A Need	24,600	-
General Mills Nutrition Program	-	18,552
Pro Georgia	10,209	3,398
Church World Services	4,907	-
Coalition of Refugee Service Agencies	2,384	-
Young Women's Leadership Program Scholarship	815	963
Total temporarily restricted assets	<u>1,021,049</u>	<u>447,021</u>
Total restricted net assets	<u>\$ 1,021,049</u>	<u>\$ 447,021</u>

13. Financial statement restatement

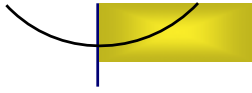
On March 9, 2015, the Organization executed an Agency Fund Agreement with The Community Foundation for Greater Atlanta, Inc. (Foundation) to create an Agency Fund of the Foundation for certain endowment funds that were transferred during its merger with RFS. In the aforementioned agreement, the Organization is the beneficiary of the endowment distribution, however, all the governing and variance powers for the endowment were granted to the Foundation. In accordance with ASC 958-605, the endowment fund is not the asset of the Organization and, as such, the September 30, 2015 financial statements have been restated to correct the accounting treatment of the endowment fund and remove the endowment fund balance of \$269,417 from the statement of financial position for September

New American Pathways, Inc.
Notes to the Financial Statements
September 30, 2016 and 2015

30, 2015. The distribution from the endowment in the amount of \$15,046 has been recorded as a contribution in the statement of activities.

14. Subsequent events

In March 2017, certain executive orders and court rulings were issued that may affect the overall number of refugees that may be allowed into the United States. The Organization continues to monitor and assess actions that may impact changes to refugee programs.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
New American Pathways, Inc.
Atlanta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of New American Pathways, Inc. (the Organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws,

regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bambo Sonaike CPA, LLC

March 10, 2017



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
New American Pathways, Inc.
Atlanta, Georgia

Report on Compliance for Each Major Federal Program

We have audited New American Pathways, Inc.'s (the Organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended September 30, 2016. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, New American Pathways, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bambo Sonaike CPA, LLC

March 10, 2017

New American Pathways, Inc.
 Schedule of Expenditures of Federal Awards
 For the year ended September 30, 2016

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Pass-through to Subrecipients
U.S. Department of Health and Human Services:				
Pass-through from Church World Service:				
Match Grant Program	93.567	90RV0069-03-01	\$ 367,985	\$ -
Match Grant Program	93.567	90RV0069-01-01	29,395	-
Pass-through from Episcopal Migration Ministries				
Match Grant Program	93.567	90RV0060/03-01	268,241	-
Match Grant Program	93.567	90RV0065-01-00	53,053	-
Preferred Communities	93.576	90RP0105	58,002	-
Pass-through from Georgia Department of Human Services				
Information and Referral Program	93.576;93.584	42700-040-0000021378-01	88,500	-
Immigration Program	93.576;93.584	42700-040-0000021378-01	19,000	-
Social Adjustment Program	93.576;93.584	42700-040-0000021378-01	88,440	-
Employment Program	93.576;93.584	42700-040-0000021378-01	172,810	-
After School Program	93.576;93.584	42700-040-0000021378-01	91,250	-
Refugee Service Impact Grant	93.576	42700-040-0000031438	127,875	-
Pass-through from Department of Human Development of DeKalb County				
DeKalb County MIECHV	93.505	13-902606	7,171	-
DeKalb County MIECHV	93.505	13-902606	15,240	-
DeKalb County MIECHV	93.505	13-902606	171,834	-
Total U.S. Department of Health and Human Services			1,558,796	-
U.S. Department of State:				
Pass-through from Church World Service				
Reception and Placement Program	19.510	S-PRMCO-16-CA-1007	538,310	-
Reception and Placement Program	19.510	S-PRMCO-14-CA-1010	53,673	-
Pass-through from Episcopal Migration Ministries				
Reception and Placement Program	19.510	S-PRMCO-16-CA1008	401,180	-
Reception and Placement Program	19.510	S-PRMCP-15-CA-XXXX	34,482	-
Total U.S. Department of State			1,027,645	-
Corporation for National and Community Service:				
Pass-through from Georgia Department of Community Affairs				
AmeriCorps	94.006	16AC181975	24,144	-
AmeriCorps	94.006	15AC172157	266,183	-
Total Corporation for National and Community Service			290,327	-
U.S. Department of Justice:				
Pass-through from Georgia Criminal Justice Coordinating Council				
Violence Against Women	16.588	W15-8-042	76,235	-
Violence Against Women	16.588	W14-8-046	31,590	-
Victims of Crime Act	16.588	C15-8-157	47,170	-
Total U.S. Department of Justice			154,995	-
CDBG - Entitlement Grants Cluster				
U.S. Department of Housing and Urban Development:				
Pass-through from DeKalb County CDBG				
Financial Literacy	14.218	974223	23,000	-
Financial Literacy	14.218	1017311	5,342	-
Total U.S. Department of Housing and Urban Development			28,342	-
Total CDBG - Entitlement Grants Cluster			28,342	-
Department of Homeland Security				
Direct from Department of Homeland Security				
Citizenship and Integration Direct Services	97.010	2015-CS-010-000036	84,141	31,862
Total Department of Homeland Security			84,141	31,862
Total Federal Awards			\$ 3,144,246	\$ 31,862

New American Pathways, Inc.
Notes to the Schedule of Expenditures of Federal Awards
September 30, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of New American Pathways, Inc. (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Indirect Cost Rate

The Organization has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

New American Pathways, Inc.
 Schedule of Expenditures of State Awards
 For the year ended September 30, 2016

State Grantor/ Pass-through Grantor/ Program Title	Revenues	Expenditures	Amount due from Agency
Georgia Department of Human Services			
Information and referral	\$ 88,500	\$ 88,500	\$ 2,125
Immigration	19,000	19,000	1,200
Social adjustment	88,440	88,440	8,320
Employment	172,810	172,810	40,220
After school	91,250	91,250	6,250
Refugee service impact grant	127,875	127,875	18,269
Total Georgia Department of Human Services	587,875	587,875	76,384
Georgia Department of Community Affairs			
AmeriCorps Recovery	24,144	24,144	24,144
AmeriCorps Recovery	266,183	266,183	25,411
Total Georgia Department of Community Affairs	290,327	290,327	49,555
Georgia Criminal Justice Coordinating Council			
Voilence Against Women	76,235	76,235	25,522
Voilence Against Women	31,590	31,590	-
Victims of Crime Act	47,170	47,170	37,798
Total Georgia Criminal Justice Coordinating Council	107,825	107,825	25,522
Total State Awards	\$ 986,027	\$ 986,027	\$ 151,461

New American Pathways, Inc.
Notes to the Schedule of Expenditures of State Awards
September 30, 2016

1. Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of New American Pathways, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

New American Pathways, Inc.
 Schedule of Findings and Questioned Costs
 September 30, 2016

Section I - Summary of Auditors Results

Financial Statements

An unmodified auditors report was issued.

Internal Control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal Control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

An unmodified compliance report was issued.

Any audit findings that are required to be reported in accordance with Uniform Guidance?

Yes No

Identification of Major Programs:

Federal CFDA Number
19.510

Name
Reception and Placement Program

93.505

Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program

97.010

Citizenship and Integration Direct Services

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as a low risk auditee?

Yes No

Section II- Financial Statement Findings

There were no reportable conditions identified to be material weaknesses.

Section III- Federal Award Findings & Questioned Costs

There were no reportable conditions identified to be material weaknesses.

-End of Report-